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Vol. XIV, No. 740 January 1-5, 1955

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JAN 31 1955
UNIVERSITY OF NORTH CAROLINA

Week in Headlines

United States

Congress met, named leaders.

President modified plan for manpower cut in armed forces, scheduled end of GI Bill benefits for Korean War veterans.

Ladejinsky cleared by FOA, assigned to Indo-China.

Ex-NSA code analyst given 7-yr. sentence for misusing secrets.

Buying margin requirement raised to 60% on booming stock market.

International

Hammarskjöld reached Red China to seek release of Korean War PWs.

U.S. curbed travel rights of Russians in retaliatory move.

Pres. Remón slain in Panama.

WORLD AFFAIRS

FAR EAST

Hammarskjold Seeks PWs

Opens Talks in Red China

UN Secy. Gen. Dag Hjalmar Agne Hammarskjöld arrived in Peiping Jan. 5 to try to persuade the Red Chinese to release 11 U.S. Korean War fliers imprisoned as spies. He met informally & dined with Premier-Forgn. Min. Chou En-lai preliminary to formal talks beginning Jan. 6.

Confers in France, India

Hammarskjöld, who previously had discussed his mission with British leaders while en route to Peiping, talked with French Premier Pierre Mendès-France in Paris Jan. 1. He then stopped in New Delhi Jan. 2 to see Indian Prime Min. Jawaharlal Nehru and received a cool reception from the Indian Govt.

Nehru, opposed to Hammarskjöld's mission because Red China had no part in UN debate on the case of the Americans, waited until Jan. 3 to meet with the Secretary General. He was said to have rejected Hammarskjöld's request that a senior Indian diplomat be assigned to help conduct the talks in Peiping. The Indian Govt. assigned low-ranking Forgn. Office officials to greet Hammarskjöld when he landed in New Delhi Jan. 2 and see him off next day.

(Hammarskjöld's nephew, Peder Hammarskjöld, Swedish Chargé d'Affaires in Peiping, joined the Secretary General in Hankow and accompanied him on the last leg of his flight to the Red Chinese capital.)

Bars UN Admission Issue

Nehru said on arriving home Jan. 2 from a conference of Southeast Asian Premiers in Bogor [see col. 2] that Hammarskjöld's mission to Peiping demonstrated the "unreality" of barring Red China from UN membership.

Hammarskjöld, on his arrival in New Delhi later same day, told Indian newsmen his mission to Peiping was concerned solely with the imprisoned airmen and the question of UN membership for Red China would not be taken up. He said no UN recognition of Red China was implied by his trip because he, as Secretary General, had the right to talk with both UN members & non-members. [See Vol. XIV, p. 430D1]

SEATO Group Plans Parley

The U.S. announced Jan. 3 that a conference on "arrangements for implementing" the 1954 Manila Treaty & "matters affecting the peace & security of the treaty area" would be held in Bangkok beginning Feb. 23 by Forgn. Ministers of the Manila signatories (U.S., Britain, Thailand, Australia, France, New Zealand, Pakistan, Philippines).

U.S. State Secy. John Foster Dulles & British Forgn. Secy. Sir Anthony Eden were scheduled to attend the Bangkok conference. The British Forgn. Office said Jan. 5 that Eden would visit several Asian capitals "within & outside" the (British) Commonwealth during his Bangkok trip. But it was "most unlikely," a spokesman said, that Eden would include Peiping, Communist Indo-China or Indonesia on his itinerary. [See Vol. XIV, pp. 382B2, 318F3, 247B1]

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Pope on Coexistence

A delayed Christmas message to the world from Pope Pius XII, issued by the Vatican Jan. 3, called upon the East & West to change their current "coexistence in fear" to "coexistence in the fear of God." The Pope said there was a danger in coexistence of war arising from fear & error, but he saw "some hope" that genuine peace would emerge if a "bridge of truth" could be built between East & West. He called upon Christian statesmen living "where it is not a crime to oppose error" to exhibit "a more firm courage in foiling the maneuvers of the obscure forces which are still trying to establish power monopolies." [See Vol. XIV, pp. 435E1, 422F1]

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Colombo Group for Broader Talks

Premiers of the 5 Colombo Conf. nations, who conferred Dec. 28-29 in Bogor, Indonesia, issued a call at the end of their talks for an April meeting (in Bandung, Indonesia) of Asian & African nations to "work for world peace, economic & social development of Africa & Asia and tackle such problems as colonialism, racialism & national sovereignty."

The Colombo group's communiqué said the conference should be attended by "all (Asian-African) countries with independent governments." However, they did not invite Natl. China, South Africa, North or South Korea or Israel. Invitations were extended to Red China, North & South Viet Nam and these others: Afghanistan, Cambodia, Central African Fed. (Rhodesias, Nyasaland), Egypt, Ethiopia, African Gold Coast, Iran, Iraq, Japan, Jordan, Laos, Lebanon, Liberia, Libya, Nepal, Philippines, Saudi Arabia, Sudan, Syria, Thailand, Turkey, Yemen.

The Colombo powers (India, Indonesia, Ceylon, Burma, Pakistan) would complete a 30-nation conference.

Red China had conveyed word to the Colombo Premiers that it would accept the invitation. The Philippines & Thailand, both SEATO members, indicated that they would not.)

The Colombo group's communiqué said it had been decided that the 5 countries should not "build themselves into a regional bloc." The statement stressed the need for technical aid in building up the economy of Asian countries.

Prime Ministers in the Bogor meeting: Nehru of India, Mohammed Ali of Pakistan, Sir John Kotelawala of Ceylon, U Nu of Burma, Ali Sastroamidjojo of Indonesia.

(Ali, speaking in Karachi Jan. 2, rejected the theory of coexistence between democracy & communism "when the objective of one [the Communist] system is world domination." Kotelawala, who recently has returned from a world tour, said in Colombo Jan. 5 he had found much "misunderstanding" of American policies in Asian countries. He declared himself "satisfied that American aid to Asia is completely bona fide and America has no ulterior intentions of any kind.") [Vol. XIV, p. 392A1]

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Japan. The U.S. & Japan reached an agreement Jan. 4 on a $2 million payment by the U.S. for damages in-

REFERENCES in brackets give location of background information in this & preceding volumes of FACTS ON FILE with Cumulative Index.

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Radford on Asia

Adm. Arthur W. Radford, chairman of the U.S. Joint Chiefs of Staff, said in Pearl Harbor Jan. 5 after a tour of Japan, Korea, Formosa & southern Indo-China that the U.S. must maintain "a very large military aid program in the Far East for a very long time to come." He cautioned advocates of a blockade of Red China that this would be "an act of war and not a thing to be treated lightly." Radford said in Seoul Jan. 2: the outlook for lasting peace in Korea was uncertain but the Allies "have to keep strong so no one can upset it"; the U.S. "would be ready to use atomic weapons, if needed," to smash renewed Communist aggression in Korea. [See Vol. XIV, p. 383C1]

flicted on Japanese during H-bomb tests in the Pacific last year. Chief beneficiaries: 22 Japanese fishermen affected by the radioactive fallout from an H-bomb cloud in March and the family of a 23d who died. The Japanese Govt. originally had sought a $5 million settlement. A U.S. note to Japan Jan. 4 on the $2 million agreement contained another expression of "deep concern & sincere regret" over injuries suffered by the fishermen & contamination of fish caught by Japanese. [See Vol. XIV, p. 370B3] . . . Japan agreed Nov. 30 to pay $12,600,000 compensation to 200,000 ex-World War II PWs from 12 countries (Britain & other Commonwealth nations, France, Belgium, Holland, Indonesia). (Filipino Pres. Ramón Magsaysay Oct. 9 repudiated a $400 million reparations settlement with Japan negotiated by Vice Pres.-Forgn. Min. Carlos P. Garcia but disapproved by the Filipino Senate committee.) [See Vol. XIII, p. 214M] . . . Japanese Premier Ichiro Hatoyama said Jan. 4 that improved Japanese trade & travel relations with Red China & Russia would contribute to world peace and "will not lead to communism in Japan." Defense Min. Seiichi Omura said Jan. 4 after a talk in Tokyo with Adm. Arthur W. Radford, U.S. Joint Chiefs of Staff chairman, that Japan's defense policy was "firmly based on long-range cooperation with the U.S." [See Vol. XIV, pp. 430E-F1, 410F2]

Indo-China. The U.S. Forgn. Operations Admin. authorized South Viet Nam Jan. 5 to buy supplies with American aid funds wherever it could do so to best advantage. The FOA waived the normal requirement that most of the funds be spent in the U.S. The concession coincided with France's transfer of currency & foreign exchange control to the Viet Namese Govt. [See Vol. XIV, p. 355G2] . . . 4,549 anti-Communist refugees from North Viet Nam arrived in Saigon Jan. 1 aboard the U.S. troop transport *Gen. R. I. Howze.* Most of the refugees were from Nghean Province, home of Red leader Ho Chi Minh. (Francis Cardinal Spellman of New York arrived in Saigon Jan. 5 to deliver a check for $100,000 representing donations to support of refugees from North Viet Nam. The U.S. gave the South Viet Nam Govt. $28,571,428.58 Dec. 21 for resettlement of northern refugees.) [See Vol. XIV, p. 265C1] . . . Ho Chi Minh said at a New Year's celebration in Hanoi Jan. 1 that North Viet Nam must "guard against the plans of the imperialistic Americans . . . to incite their lackeys to sabotage the armistice (&) cause war." He said the Viet Minhese must strive to build up their economy & defenses, cease acts of terrorism against South Viet Namese & suppress activities of those in North Viet Nam who tried to persuade people to flee to the South. Red China announced a pact to help restore North Viet Nam's transport & communications lines signed in Peiping Dec. 24. [See Vol. XIV, pp. 338G2, 227C2] . . . 4,000 dissident members of the Hoa Hao sect agreed Dec. 24 to end their rebellion against the South Viet Nam Govt. under a truce negotiated by their leader, Bacut (Le Quang Vinh), & new Viet Nam Defense Min. Ho Thong Minh, 34. (Premier Ngo Dinh Diem chose Gen. Le Van Ty Dec. 11 to replace ousted Gen. Nguyen Van Hinh as Army Chief of Staff.) [See Vol. XIV, p. 399C] . . . Pakistan recognized North & South Viet Nam, Laos & Cambodia Dec. 21. [See Vol. XIV, p. 291C1]

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North Korea signed economic aid & trade agreements for 1955 with Red China at a conference in Peiping Dec. 31 (announced Jan. 1). Peiping radio said North Korea would receive loans & grants to provide it with building materials, communications & transport equipment, metal products, machinery, raw chemicals, coal, paper, equipment & material for textile plants. The aid was described as part of $338 million worth promised North Korea by Red China for the 1955-57 period. The 1955 trade pact gave Red China electric power, minerals, fish & fruit in exchange for steel & cotton yarn. [See Vol. XIV, pp. 318A3, 90B3] . . . **Natl. Chinese** civil war losses Jan. 1-Dec. 20, 1954 as listed by the Peiping Red radio Jan. 2: 39 planes downed & 92 damaged, 43 ships sunk or damaged & 21 captured, 376 troops killed or wounded & 2,646 captured, 123 troops defected to the Reds. The Red Chinese Govt. issued Jan. 1 an offer of cash & land rewards and political forgiveness to Nationalist military personnel who "revolt or cross over (to the Reds) individually or in groups." Cash bounties were listed for Nationalist firearms turned over to the Reds. [See Vol. XIV, pp. 430E1, 398E2, 391C3] (Gen. Su Yu, 46, was named Red Chinese Army Chief of Staff and Gen. Liu Po-cheng, 63, was made chief of armed forces training Nov. 10. Gen. Chu Teh, 68, Army comdr.-in-chief, was elected Sept. 27 as dep. chrmn. of the Central Govt. Council headed by Mao Tse-tung. Mao & Chu were, in effect, Red Chinese president & vice president, respectively, for 4-yr. terms.) [See Vol. XIV, p. 318E2]

U.S. Curbs Trips by Russians

27% of the area of the U.S. was declared off limits to Soviet citizens by the State Dept. Jan. 3 in retaliation for bans against U.S. citizens in 30% of the Soviet Union. Portions of 39 states were closed to Soviet diplomats, trade & press personnel & their dependents (less than 400 people) currently in the U.S. Brooklyn was the only part of New York City, and Massachusetts, Rhode Island, Connecticut & Delaware the only entire states closed to the Russians. State Secy. John Foster Dulles offered in a note to Russia to "reconsider" the order if the Sovt. Govt. should later "liberalize" its restrictions on travel by U.S. citizens in the USSR.

(The State Dept. reported Jan. 3 it had received complaints from 1,000 counties throughout the country because they had not been declared closed to Russians.) [See Vol. XIII, p. 296A2]

Malenkov on Peace Talks

Soviet Premier Georgi M. Malenkov said Jan. 1 in reply to a questionnaire from Washn. Telenews bureau chief Charles Edward Shutt: (a) a conference of heads of the Big 4 Govts. "should not be faced by the accomplished fact" of West German rearmament; (b) "the danger of war is growing" because of efforts "by certain American circles for recreation of a revengeful German Army"; (c) major diplomatic negotiations to settle Far Eastern questions would be "welcome"; (d) Russia wanted "unconditional prohibition of atomic weapons" and "peaceful coexistence" with the U.S.

The British Forgn. Office said Jan. 1 that it was "unlikely that a conference to discuss Far Eastern affairs in general would make progress at this stage." U.S. State Dept. officials dismissed Malenkov's remarks as "mere restatement" of Soviet policy. [See Vol. XIV, pp. 422C2, 369F2]

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Egypt Jan. 1 released 28 crewmen of the Israeli freighter *Bat Galim* seized in the Gulf of Suez Sept. 28. They had been cleared of charges that they killed 2 Egyptian fishermen. The U.S., Britain & France supported Israel's demand in the UN Security Council Jan. 4 that Israeli ships be allowed to use the Suez Canal without Egyptian interference. [See Vol. XIV, p. 338E] . . . **Intl. Bank** announced Jan. 15 it had expelled Czechoslovakia, the Bank's only Soviet-bloc member, for failure to furnish economic & trade information and pay its Bank subscription. [See Vol. XIV, p. 337G2]

FACTS ON FILE is published weekly by Facts on File, Inc., 516 Fifth Ave., New York 36, N. Y. (MUrray Hill 2-5523-4). Entered as 2d class matter June 24, 1941 at the Post Office in New York, N. Y., under the Act of March 3, 1879. Subscription $70 a year; Yearbooks (bound volumes) from 1942—$25 each. Cumulative Index published twice a month. Copyright 1955 by Facts on File, Inc. Edw. Van Westerborg, Pres.-Treas.; Fred McGhee, Secy.-Editor; Bernard Messinger, Business Manager.

NATIONAL AFFAIRS

THE PRESIDENT

Explains Armed Forces Cut

Pres. Eisenhower reviewed in a letter to Defense Secy. Charles E. Wilson Jan. 5 his controversial decision to reduce military manpower.

The President said he contemplated cutting armed forces by June 30, 1955 to "approximately 3 million, within which the Air Force will be increased to about 975,000." He considered it not "wise at this time to fix rigid targets for 1956" but suggested a June 1956 cut to about 2,850,000—"with any further material reductions dependent upon an improved world situation." These figures compared with previously announced goals of 2,940,000 for June 30, 1955 and 2,815,000 for June 30, 1956. [See Vol. XIV, p. 423F2]

Gen. Eisenhower noted 4 considerations behind his military policy: (1) the threat was "continuing & many-sided" with "no single critical 'danger date' & no single form of enemy action to which we could soundly gear all" defenses; (2) "true security . . . must be founded on a strong & expanding economy readily convertible to the tasks of war"; (3) "we should base our security upon military formations which make maximum use of science & technology in order to minimize numbers in men"; (4) "destructiveness of modern weapons & the increasing efficiency of long-range bombing" gave the U.S. reason for concern "over the serious effects" of "a sudden attack."

The President said "our first objective" was "to maintain the capability to deter an enemy from attack and to blunt that attack if it comes —by a combination of effective retaliatory power" & an increasingly effective "continental defense system." For "lesser hostile action" not involving "a major aggressor's forces, growing reliance can be placed upon the forces now being built . . . in many areas of the free world," Gen. Eisenhower said. But he foresaw "certain contingencies" for which the U.S. needed "mobile forces to help indigenous troops deter local aggression, direct or indirect." [See Vol. XIV, p. 415B-D3]

Ends Korea GI Rights

The President, by proclamation Jan. 1, set Jan. 31 as cut-off date for Korean War veterans' benefits. These benefits would continue to accrue until Jan. 31 for those already in the armed forces or who joined before Jan. 31. Regular peacetime benefits would go to those who entered service after Jan. 31. The proclamation brought a rush of volunteers to draft boards & recruiting stations.

Among benefits to stop accruing after Jan. 31: education (1½ days of free schooling or training for each day's service up to Jan. 31 & up to a maximum of 36 months' service); Veterans Admin.-guaranteed loans on homes, farms & businesses; free vocational rehabilitation for those seriously disabled prior to Jan. 31; mustering-out pay of $100-$300 depending on service; free hospitalization for some non-service-connected disabilities; wartime disability compensation rates; non-service-connected disability pensions; $10,000 free Govt. indemnity insurance; unemployment compensation of $26 a week up to 26 weeks. [See Vols. XIV, p. 76G1; XIII, 212D; XII, 223D-E]

The proclamation did not end the state of emergency proclaimed in 1950 and did not end the President's emergency powers.

Previews Message

Pres. Eisenhower's State-of-the-Union Message (to be delivered Jan. 6) was read by Presidential aide Bryce N. Harlow to Cabinet members & Republican Congressional leaders at a White House meeting Jan. 3. The Congress leaders predicted that most of the President's legislative requests would be enacted.

Most of the message was written during Gen. Eisenhower's Christmas-New Year's vacation at the Augusta (Ga.) Natl. Golf Club, from which the President returned to Washington Jan. 2 [see Vol. XIV, p. 431C2]. Before leaving Augusta, Presidential Press Secy. James C. Hagerty announced plans for the President to send Congress messages on the health reinsurance program Jan. 24 & on the national highway program Jan. 27.

Personnel

White House Press Secy. Hagerty announced Jan. 3 that Charles D. Mahaffie (D.) had been involuntarily retired from the ICC Dec. 31 because he had reached retirement age, 70, Dec. 5. Mahaffie, whose term had 4 years to run, said he had received no official notification. Col. J. Monroe Johnson, 76, had rejected White House efforts to make him retire from the ICC last year. He held that ex-Pres. Truman had waived the retirement provision in nominating him for a 7-yr. term after he had reached 70 and that the Senate had approved this waiver by confirming him. [See Vols. X, p. 37D; IX, 415B; XIII, 390P, 3N]

Pres. Eisenhower Jan. 3 designated Dr. Allen V. Astin, Bureau of Standards director, for another year as chairman of the Interdepartmental Com. on Scientific Research & Dvpt. [See Vol. XIII, p. 421A3]

Sen. H. Alexander Smith (R., N.J.) disclosed Jan. 5 that the White House had authorized him to announce that ex-Sen. Robert C. Hendrickson (R., N.J.) would be appointed Amb. to New Zealand. [See Vol. XIV, pp. 400-D2, 359F2]

CONGRESS

Democrats Take Control

The 84th Congress convened at noon Jan. 5 with Democrats in control by narrow majorities in both houses.

Rep. Samuel Taliaffero Rayburn (D., Tex.), 72, was elected to an unprecedented 7th term as Speaker of the House. He replaced Rep. Joseph William Martin Jr. (R., Mass.), 70, who reverted to his old post as House minority leader. Sen. Walter Franklin George (D., Ga.), 75 next Jan. 29, succeeded Sen. (Henry) Styles Bridges (R., N.H.), 56, as Senate president *pro tempore* (presiding officer in absence of Vice Pres. Nixon).

The new Congressional leaders were elected by straight party vote Jan. 5 but actually were chosen at party conferences of both houses Jan. 4 [see Vol. XIII, p. 4H-J for 83d Congress leaders]. Among other posts filled as a result of the Jan. 4 conferences:

Senate. Democratic leader (a job including chairmanship of the Senate Democratic Policy Com. & of the Senate Democratic Conference)—Lyndon Baines Johnson (Tex.)*; Dem. whip (asst. leader)—Earle C. Clements (Ky.)*; Republican leader—William Fife Knowland (Calif.)*; GOP Policy Com. chairman—Styles Bridges (N.H.); Republican Conf. chairman—Eugene Donald Millikin (Colo.)*; GOP whip—Leverett Saltonstall (Mass.)*; GOP Com. on Committees chairman—John William Bricker (O.). Felton M. Johnson, former Senate minority secretary, succeeded J. Mark Trice as Senate Secy. Trice became minority secy., Robt. G. Baker majority secy.

House. Democratic floor leader—John W. McCormack (Mass.), who held the post during Rayburn's previous terms as Speaker; Dem. whip—Carl Albert (Okla.); chief aide to minority leader Martin (untitled post)—Charles Abraham Halleck (Ind.), who was GOP leader when Martin was Speaker; GOP whip (in effect, honorary)—Leslie Cornelius Arends (Ill.)*. Ralph R. Roberts returned as Clerk of the House to replace Lyle O. Snader. Zeake W. Johnson Jr. succeeded William R. Bonsell as sergeant-at-arms. William M. Miller returned as doorkeeper, succeeding Tom Kennamer. The Rev. Dr. Bernard Braskamp was unanimously re-elected chaplain.

Democrats Bar Partisanship

Congress' newly-elected Democratic leaders pledged on taking office Jan. 5 to consider Republican Admin. legislative programs without partisanship. Speaker Rayburn promised that no Eisenhower proposal would be opposed "just because a Republican President has recommended it."

But Rayburn simultaneously gave oblique expression to his resentment at GOP campaign charges of Democratic "softness on communism." He told the House that "we [Dems.] are not going to indict people en masse" or "say that just because we do not like somebody politically, he is

* Re-elected

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Presidential Succession

2 Democrats became 2d & 3d in line of Presidential succession when the Democratic-controlled 84th Congress convened Jan. 5. House Speaker Sam Rayburn (Tex.) & Senate Pres. Pro Tem Walter F. George (Ga.) ranked directly behind Vice Pres. Nixon.

Notes on Congress

Makeup of the new 84th Congress:

House: 231 Democrats, 203 Republicans, one Democratic vacancy.

Senate: 48 Democrats, 47 Republicans, one independent (Wayne Morse of Oregon, who voted with the Democrats on organization). [See Vol. XIV, p. 379D-E2]

The 84th Congress had a record 18 women—16 House members, Sen. Margaret Chase Smith (R., Me.) & Mrs. Joseph R. Farrington (R.), nonvoting delegate of Hawaii. [See Vol. XIV, p. 364A1]. . . . The current Congress was the first to have a meditation room—a secluded office just off the Capitol rotunda, with a blue-&-wine colored stained glass window & an oak altar, barred to all but Congress members.

soft on communism or . . . believed in subversion." He promised that no responsible House Democrat would "talk or act like that without being frowned upon or repudiated by me."

Democrats reported that Rayburn had urged House Democrats at the Jan. 4 conference not to forget Vice Pres. Nixon's campaign speeches allegedly impugning Democratic loyalty and to remember that Pres. Eisenhower had lauded Nixon's campaign role. [See Vol. XIV, p. 409D1]

Senate Democratic leader Johnson urged colleagues at the Jan. 4 Democratic conference to prove their party's "responsibilty" by eschewing "partisan" opposition to Eisenhower requests and objecting only on "principle." [See Vol. XIV, p. 415E2]

The Senate Democratic conference agreed to consider independent Sen. Wayne Morse (Ore.) as a Democrat for committee assignments and to give him seniority as of Nov. 8, 1954, the day he moved to the Democratic side. [See Vol. XIV, pp. 371A2, 385E1]

Tariff Bill to Be First

Speaker Rayburn predicted Jan. 5 that Pres. Eisenhower's liberal foreign trade program would be the first major legislation brought to the House floor [see Vol. XIV, p. 431A1]. He designated as "HR1" (House of Reps. Bill No. 1) a measure incorporating this program which was introduced by Chrmn. Jere Cooper (D., Tenn.) of the House Ways & Means Com. among the usual flood of bills dropped into the hopper at a session's opening.

Among other bills introduced Jan. 5: a proposal by Rep. John D. Dingell (D., Mich.) to give federal employes a 10% pay raise; Rep. Emanuel Celler's (D., N. Y.) proposal to raise Congress members' pay from $12,500 a yr. to $22,500 and federal judges' salaries from $15,000 to $22,500; bills by Rep. Kenneth B. Keating (R., N.Y.) to allow the President to veto individual items in appropriations bills and to give the vote to 18-yr.-olds; Rep. George Grant's (D., Ala.) proposal to abolish the Electoral College and elect Presidents directly; a bill by Rep. Edward Garmatz (D., Md.) to restore the original 1949 Fed. Housing Act with modifications; legislation by Rep. Russell V. Mack (R., Wash.) to establish a Forgn. Svc. Academy to train diplomats & consular officers.

SECURITY & COMMUNISM

FOA Clears, Hires Ladejinsky

Wolf I. Ladejinsky was given full security clearance by the Forgn. Operations Admin. Jan. 5 and hired by the FOA to supervise land-reform projects in South Viet Nam. The job was considered at least equal to that of agricultural attaché in Tokyo, from which Agriculture Secy. Ezra Taft Benson had removed Ladejinsky in December as unqualified & a security risk. Each job paid $11,800 a year.

The decision to give Ladejinsky an FOA job was made by the White House as a solution to an explosive security controversy. The FOA had sought Ladejinsky for the post 4 months ago, but at that time the Agriculture Dept. had labeled him "too valuable" to be released. Later Ladejinsky, who had won State Dept. security clearance, was denied Agriculture Dept. clearance and pronounced unqualified as an attaché. State Dept.-FOA clearance & Agriculture Dept. refusal to clear were based largely on the same security files.

Wide World
LADEJINSKY

Benson Vs. Clearing Ladejinsky

Benson insisted repeatedly that in labeling Ladejinsky a security risk, he had acted on a proper interpretation of security regulations. But he conceded that interpretations could differ and confirmed Jan. 5 that he had urged Pres. Eisenhower to institute a bipartisan study of the entire federal security system.

Benson told reporters Jan. 5 that he had "full confidence" in 2 relatively new Agriculture Dept. men—Milan D. Smith, his executive assistant, & John Glenn Cassity, 35, an ex-FOA employe—who were prominent in the anti-Ladejinsky case. He admitted he never had talked to Ladejinsky but denied Ladejinsky's charge that he had refused to see him.

Benson, in a Jan. 3 statement to leaders of Jewish organizations, disavowed an allegedly anti-Semitic letter in which George N. Vitt, Russian-born industrial editor of Amer. Exporter Publications, lauded the ouster of Ladejinsky, a Russian-born Jew. Benson conceded that "it was a mistake to show the letter to reporters and . . . imply the department's approval of its contents." Jewish leaders had protested that Smith, by using the letter, showed "apparent readiness to employ anti-Semitic material." Benson invited Jewish leaders to his office Jan. 4 and assured them anti-Semitism was "abhorrent" to him "and would not be countenanced" in the Agriculture Dept.

Ladejinsky Hails Judd, Press

In a press conference Jan. 5, Ladejinsky expressed gratitude to Rep. Walter H. Judd (R., Minn.), who had fought for his clearance, and to the U.S. press, radio & television as "in great measure" responsible for the outcome. (It was reported that Ladejinsky had insisted on a public announcement of his clearance.)

State Dept. officials & Sen. Hubert H. Humphrey (D., Minn.) also had come to his aid and had described his land-reform work in Japan as one of the most important single accomplishments in combatting communism in the Far East. Ladejinsky's new job, under Dr. Raymond T. Moyer, head of the FOA's Far Eastern Div., was described as vitally important in the free world's effort to keep South Viet Nam from falling to the Communists. [See Vol. XIV, pp. 431F3-432E1]

McCarthy Holds Final Hearing

Sen. Joseph R. McCarthy (R., Wis.) held his last hearings as Senate Investigations Subcom. chairman Jan. 3. Highlights of the session:

4 witnesses used what McCarthy called a "new gag"—they said they were not Comunists at the hour they testified but refused under the 5th Amend.'s protection to say whether they had been Reds before then. McCarthy suggested that they did this because their employers would fire admitted Communists. The witnesses: Westinghouse Electric Co. employe Wm. Heiston; Westinghouse Air-brake Co. employes Harold K. Briney, Theo. Wright & Jos. Slater. McCarthy said he would inform the two companies, which had been "very cooperative" in firing employes who used the 5th Amend.

The subcommittee recommended contempt citations against 4 subpenaed persons who failed to appear: Edwin Garfield of Allis-Chalmers; Evelyn O. Darin, Alfred Oyler & Armino H. Sardoch of Westinghouse Electric.

Ex-Communist Frank Nestler of Jeanette, Pa. testified that Slater had recruited him into the party. He identified Darin, Oyler, Sardoch & Briney as Communists. Mary Stell Beynon, who said she had been an FBI undercover worker in the CP, identified Heiston as a Communist.

Lawrence W. Parrish of Quincy, Mass., ex-Bethlehem Steel employe whom the subcommittee had excused in July 1953 in the belief he had been subpenaed in error, invoked the 5th Amend. in refusing to say whether he was a CP member. [See Vol. XIV, p. 269B1]

Gen. Electric employe Dante de Cesare, an ex-Communist, identified as Communists these ex-GE employes who had invoked the 5th Amend. at previous hearings: Sydney Friedlander, Gordon Belgrave, Arthur Owens, Dewey Brashear, Emanuel Fernandez, Robt. Northrop & Jos. Gebhart. [See Vol. XIV, p. 418F1]

(The subcommittee's parent Senate Govt. Operations Com. Jan. 5 voted to cite Westinghouse Electric employee Diantha Hoag for contempt as a "test case." She had invoked the

5th Amend. at a closed session in July 1954.) [See Vol. XIV, p. 269A1]

3,002 'Risks' Ousted

The Civil Svc. Comm. reported Jan. 3 that 3,002 security risks had been dismissed from federal jobs in the period May 28, 1953—Sept. 30, 1954 and that 5,006 other civilian employes had resigned before complete "determination" about "unfavorable information" in their files.

Of the 8,008 total, the files of 2,096 had information indicating "subversive activities, subversive associations or membership in subversive organizations." The overall total included 655 accused of sex perversion, 2,649 convicted of felonies or misdemeanors & 4,417 alleged to be drunks, dope addicts, insane or otherwise undesirable "within the purview" of the security program.

A CSC spokesman said the commission did not know how many of the above were hired before & how many after the Eisenhower Admin. took office, how many of those who resigned knew there were charges against them or how many of those dismissed were ousted for disloyalty.

The report covered only civilian employes. Figures for the Central Intelligence Agency were withheld. [See Vol. XIV, pp. 339B-E3, 425E3]

Agencies with More than 100 Separations	T*	D*	R*	S*	P*	C*
Navy	1,581	638	943	294	93	951
Vets. Admin.	1,465	353	1,112	266	111	549
Army	927	302	625	357	136	145
Post Office	843	324	519	275	23	261
Air Force	680	371	309	284	23	114
Interior Dept.	387	140	247	110	12	252
Gen. Svcs. Adm.	241	154	87	20	7	89
State Dept.	233	5	228	78	106	1
Agri. Dept.	215	102	113	32	8	59
Forgn. Op. Adm.	210	184	26	17	16	4
Welfare Dept.	210	49	161	62	23	82
Justice Dept.	189	59	130	59	5	31
Treasury Dept.	179	100	79	48	6	28
Commerce Dept.	133	77	56	14	16	68
Other Sensitive Agencies						
Atomic Energy	5	1	4	1	2	0
NACA	49	8	41	15	5	14
Info. Agency	76	2	74	44	13	0
White House	1	1	0	0	0	0

*T—total separations; D—dismissed; R—resigned; S—"subversive" categories; P—perversion cases; C—conviction cases

Action vs. Reds

Asst. Atty. Gen. William F. Tompkins reported Jan. 1 that 20 Communist leaders were convicted & an additional 29 indicted during 1954 for conspiracy to teach & advocate forcible overthrow of the Govt. Immigration Comm. Joseph M. Swing reported Jan. 2 that 61 subversives were deported in 1954 to raise the 1950-54 total to 184. (The U.S. deported 5,261 criminals in 1950-54, including 1,486 in 1954. Denaturalization proceedings were started during 1954 against 22 persons "of the criminal, immoral or narcotic class." 66,643 aliens were naturalized in 1954.) [See Vol. XIV, pp. 432C-D3, 425D3]

Red Influence at N.H. Colleges

N.H. State Atty. Gen. Louis C. Wyman told the state Legislature Jan. 5 that the U. of New Hampshire had a Communist cell during 1946-50 and that there were pro-Red influences at Dartmouth. Among Dartmouth & U. of N.H. faculty members he accused of "records of affiliations with organizations cited as Communist fronts": Vilhjalmur Stafansson, Alexander Laing, Gwynne Harris Daggett & Paul M. Sweezey.

OTHER U.S. NEWS

Petersen Gets 7-Year Term

Ex-Natl. Security Agency analyst Joseph Sydney Petersen Jr., 40, was given a 7-yr. jail sentence by Fed. Dist. Judge Albert V. Bryan in Alexandria, Va. Jan. 4 on his plea of guilty to misusing secret Govt. data. 2 other counts were dismissed. Petersen said he pleaded guilty in the national interest so that security secrets would not be disclosed at a trial. He insisted he had taken classified documents only for an NSA training course he taught. But Bryan charged Petersen with a "deliberate breach of faith & confidence" which might have caused "terrific consequences" to U.S. security. [Vol. XIV, p. 433F2]

Racial, Civil Rights Gains

The Amer. Civil Liberties Union Jan. 2 listed as major gains in civil rights during 1954: (1) the Supreme Court decision outlawing racial segregation in public schools [see Vol. XIV, p. 163C-F1]; (2) Senate condemnation of Sen. Joseph R. McCarthy (R., Wis.) [see Vol. XIV, p. 399E2-E3]; (3) the educational "counter-attack" against efforts to "dictate educational content and method & personnel." [See Vol. XIV, p. 231E1]

Warning that threats to civil liberties still exist, the ACLU termed as "conspicuous defeats" during 1954 the State Dept.'s dismissal of John Paton Davies Jr. & the Atomic Energy Comm.'s security charges against Dr. J. Robert Oppenheimer.

In its 1954 summary, the legal branch of the Natl. Assn. for the Advancement of Colored People Jan. 2 also hailed the Supreme Court segregation decision as "one of the greatest forward steps toward the eradication of race & caste from American life" [see Vol. XIV, p. 163D2]. It cited racial gains in housing, transportation [see Vol. XIV, p. 349E3] & recreation.

Defense Dept. officials repeated Jan. 2 that they would speed plans to end racial segregation at all military post schools by Sept. [See Vol. XIV, 38B1]

3 P.R. Nationalists Sentenced

Jail terms of 3-10 years were imposed in San Juan, P.R. Jan. 4 on 3 Nationalist Party leaders for advocating forcible overthrow of the Govt.: Ramon Medina Ramirez, Juan Hernandez Valle & José Rivera Sotomayer. [See Vol. XIV, p. 434A1]

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Intl. Longshoremen's Assn. members in New York Jan. 5 voted 11,572—4,222 for a 2-yr. contract with the N.Y. Shipping Assn. that banned strikes & lockouts. It provided for a 7¢ hourly raise retroactive to Oct. 1, 1954 & an additional 6¢ hourly boost effective Oct. 1, 1955. Current scale: $2.65 an hr. [See Vol. XIV, p. 433D2] . . . **House Govt. Operations** subcommittee headed by Rep. Charles B. Brownson (R., Ind.) charged Jan. 5 that the Gen. Services Admin. overpaid about $1,027,709 in a $17-$18 million tungsten contract signed with 4 Thailand companies in 1951 but suspended in Aug. 1953. The committee heard evidence that the Thailand companies, which had agreed to supply the metal at $65 a long ton unit (22.4 lb.), made large deliveries (some apparently from countries other than Thailand) when the world price dropped to $50, only token deliveries when prices exceeded $65.

Sen. Alexander Wiley (R., Wis.), outgoing Senate Foreign Relations Com. chairman, reported to State Secy. John Foster Dulles Jan. 5, on the basis of a survey, that 97% of foreign service officers felt morale in their service had been hurt by weak State Dept. leadership, the security program, faulty personnel policies & other factors. [See Vol. XIV, pp. 373B1, 177C2] . . . **State Dept.** security officer R. W. Scott McLeod's power to inspect overseas missions was transferred by State Secy. Dulles to Deputy State Undersecy. Loy W. Henderson Dec. 31 (reported Jan. 3). [See Vol. XIV, pp. 410C2, 68F3]

Free Govt. & Congressional mail cost the U.S. $1,978,500 in 1954, Postmaster Gen. Arthur E. Summerfield reported to Congress Jan. 5. He asked that this sum be credited to the Post Office Dept. . . . **Federal civilian employes** totaled 2,362,588 at the end of Nov. 1954, the Civil Svc. Comm. reported Jan. 3. [See Vol. XIV, p. 318G1] . . . **Maj. John J. McManus,** who signed Maj. Irving Peress' controversial discharge papers, has requested return to active duty, the Army revealed Jan. 5. McManus had been dropped Nov. 4 in a "strength reduction" move "in no way connected" with Peress' discharge. [See Vol. XIV, p. 384E-G3] . . . **Philadelphia Daily News,** former Republican newspaper, announced editorially that Jan. 2 it would be "independent-Democratic." Democratic State Finance Com. Chrmn. Matthew H. McCloskey had recently become board chairman of the paper. . . . **William Schoenberg,** 75, retired Jan. 1 as pres. of the AFL United Cement, Line & Gypsum Workers Intl. Union. He was succeeded by Felix C. Jones.

FOREIGN

Britain. The Treasury reported Jan. 3 that British gold & dollar reserves totaled $2,762,000,000 at the end of 1954, an increase of $244 million over Dec. 31, 1953. [See Vol. XIV, p. 277G3] . . . Queen Elizabeth II's New Year's honor list issued Dec. 31 conferred baronies on: Prof. E. D. Adrian, 65, pres. of the Royal Society and British Assn. for the Advancement of Science; Sir William Fraser, 66, Anglo-Iranian Oil Co. chrmn.; Sir Arnold Babb Bridley, Conservative MP. Amb.-to-U.S. Sir Roger Makins & the Aga Khan were made Knights Grand Cross of the Order of St. Michael & St. George. 56 new knighthoods were conferred. [See Vol. XIV, p. 366F1] . . . John Clarence, 27, Communist ex-convict & British Army veteran, received a 5-yr. prison sentence in London Dec. 22 for giving the Soviet Embassy information on

British air defense tactics he obtained while working as clerk in an army office.

Egypt. The British transferred to Egyptian control Jan. 1 the 87-mi.-long oil pipeline from Suez to Cairo. [See Vol. XIV, p. 346A3] . . . Death sentences passed Dec. 28 on 5 Army members of the Moslem Brotherhood for conspiracy to kill Premier Gamal Abdel Nasser & overthrow the Govt. were commuted to life imprisonment by Nasser Jan. 2. A People's Tribunal pronounced sentences on 40 more conspirators Dec. 23 & 117 Dec. 29. (Sudanese Defense Min. Khalafalla Khaled, Eductn.-Agri.-Irrigation Min. Mighani Hamza & State Min. Ahmed Geli were dismissed Dec. 23 as nationalist conspirators against Premier Ismail el Azhary's Sudanese regime. Azhari assumed the Defense Ministry Dec. 25.) [See Vol. XIV, p. 410C3, 395D1]

French North Africa. Secy. Gen. Sala ben Youssef of the Tunisian Neodestour (Nationalist) Party charged Jan. 3 in Geneva that French Premier Pierre Mendès-France's Govt. was seeking in Tunisian home-rule talks to "perpetuate the colonial regime." Ben Youssef demanded creation of a Tunisian national army to police the territory & the fixing of a target date for granting Tunisia full sovereignty. [See Vol. XIV, p. 410A3] . . . 6 convicted French Moroccan terrorists were executed by firing squad Jan. 4 at Adir Prison near Casablanca. [See Vol. XIV, p. 389E2]

Germany. West German Govt. report Jan. 4 on population of German areas: West Germany 49,652,000; East Germany outside Berlin 17,600,000; West Berlin 2,194,600; East Berlin 1,175,000. It listed the total German population as 71,581,249, including 959,649 in the Saar. . . . The Mannesmann steel firm of Duesseldorf remerged Jan. 1 with Consolidation Bergbau of Gelsenkirchen and Stahlindustrie & Machinenbau of Duesseldorf with approval of the ECSC High Authority. The firms had been separated under the Allied decartelization program in 1953. [See Vol. XIV, p. 286B3] . . . The State Bank estimated Dec. 29 that West Germany last year set post-World War II production records of 128 million tons of coal (52.5% of the ECSC's total output) and 17.5 million tons of raw steel. [See Vol. XIV, pp. 376E1, 105F3]

India. Nengal-Bhakra Dam, a unit of a $327 million waterpower & irrigation development in the Himalayan foothills north of New Delhi, was opened Jan. 2. It was built with the technical aid of U.S. engineers, paid for by India. [See Vol. XIV, p. 375A1] . . . The Industrial Credit & Investment Corp. of India obtained a $10 million credit from the Intl. Bank Dec. 22 to help finance expansion of Indian industry. [See Vol. XIV, p. 426E2]

Pakistan. Import restrictions were eased Jan. 1 on industrial & consumer goods to admit twice as much foreign goods in first-half 1955 as in last-half 1954. Commerce Min. Ibrahim Rahimtoola said prospects of $105 million in U.S. economic aid starting this year made it possible to raise import quotas. [See Vol. XIV, p. 392A1]. . . . Merger of the princely territories of Kalat, Mekran, Las Bela & Kharan into one administrative area was approved by their princes Jan. 3. [See Vol. XIV, p. 426G2]

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Indonesian Govt. decreed Jan. 5 a state of siege in 9 Moluccan islands in addition to Amboina because of rebel activity in the area (East Indonesia). Islands affected: Ceram, Aru, Boano, Manipa, Haraku, Separua, Nusa Laut, Kei, Watubela. [See Vol. XIV, p. 375B1] . . . **Iraq** announced Jan. 3 it was closing its Moscow Legation indefinitely for economy reasons and would be represented in Moscow when necessary by Lebanon or Egypt. [See Vol. XIV, p. 270B2] . . . **Red China's** acquisition of Soviet stock in Chinese Civil Airlines, the Dairen (Manchuria) Shipbldg. & Repair Co. & 2 oil well & nonferrous metal mining firms in Sinkiang took effect Jan. 1 under an agreement with Russia. Also reported: signing in Peiping Dec. 30 of a Russo-Chinese agreement on air service from Peiping to Moscow, Chita (Siberia), Alma Alta (Central Asia) & Urumchi (Sinkiang). [See Vol. XIV, p. 338D2]

Rumania announced Dec. 26 the immediate end of food rationing (begun in 1941) & a general pay increase for workers "to compensate for higher free-market prices." (An analysis in the *N.Y. Times* Jan. 2 showed that the general price level in Rumania had risen at least 50% & wages only 20%, which apparently resulted in a cut in real wages for Rumanian workers.) [See Vol. XIV, p. 398B3] . . . **Swedish** Natl. Health Insurance program took effect Jan. 1. It provided sick benefits for all of King Gustav Adolf VI's 7,150,000 subjects, including Queen Louise. [See Vol. XIV, p. 123B1] . . . **South African** Finance Min. Eric H. Louw, 64, received Jan. 5 the additional post of Min. for External Affairs. [See Vol. XIV, p. 418G2]

LATIN AMERICA

Remon Assassinated

Panamanian Pres. José Antonio Remón, 46, was shot to death by unidentified machinegunners at Juan Franco Race Track in Panama City the night of Jan. 2. The assassins escaped in the dark after a gunfight in which a Presidential bodyguard & a bystander were killed.

GUIZADO

Wide World
REMÓN

Forgn. Min. José Ramón Guizado, 55, First Vice President, was sworn in Jan. 3 as Remón's successor. There was no apparent attempt at revolution and the nation remained calm while the Govt. launched a search for the killers.

Remón was elected President in 1952 [see Vol. XII, p. 322K]. He had wielded great influence as head of the Natl. Police since 1947. He proved to be a popular President, was credited with a good administration, improved Panamanian relations with the U.S. and visited Pres. Eisenhower in 1953 [see Vol. XIII, p. 332F-G2]. He had announced Dec. 22 an agreement on terms of a new Canal Zone Treaty (scheduled for signing this month) that reportedly would increase annual U.S. payments to Panama by $1,500,000. Pres. Eisenhower Jan. 3 sent a message of condolence to the people of Panama & Remón's widow. He said the U.S. had held Remón "in great respect."

The Panamanian Natl. Assembly suspended several constitutional guarantees for 10 days Jan. 3 and police began a roundup of suspected members of the assassination plot, including ex-Pres. Arnulfo Arias, political foe of Remón. Press reports Jan. 5 said more than 70 persons were being held for questioning.

Guizado, who as President was expected to continue Remón's pro-U.S. policies, asked Jan. 4 that FBI & Cuban investigators help solve the murder. (The U.S. State Dept. said the FBI was forbidden by law to give such aid to a foreign Govt.) It was disclosed that Remón had received a death warning less than 2 weeks before he was killed.

Panamanian UN delegate Ernesto de la Ossa said in New York Jan. 4: "I would bet my life it [the assassination] was a Communist plot." U.S. Secy. of State Dulles said same day that apparently "no Communist issue was involved."

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Argentine Govt. Dec. 20 restored legalized prostitution (banned since 1936). [See Vol. XIV, p. 435A2] . . . **Dominican** Pres. Hector B. Trujillo signed a law Dec. 31 authorizing nationalization of power & telephone service. . . . **Dutch West Indies** (Surinam & Antilles) celebrated Dec. 29 their graduation from colonial status to equality with Holland in the Kingdom of the Netherlands. [See Vol. XIV, p. 426B3]. . . . **Guatemalan** ex-Pres. Jacobo Arbenz Guzman announced Jan. 5 in Zermatt, Switz., he was negotiating for Swiss citizenship (nationality of his father). Arbenz had entered exile in Mexico City Sept. 11, 1954 and flown to Switzerland in early Dec. [See Vol. XIV, p. 286D3] . . . **Mexican** cattle began moving into the U. S. again after Agri. Secy. Ezra Taft Benson Dec. 31 lifted a border quarantine (re-imposed May 24, 1953) caused by foot & mouth disease. [See Vol. XII, p. 366H] . . . **Corumba-Santa Cruz Rwy.** linking Bolivia with the Brazilian coast & completing a 2,300-mi. rail & highway system from Chile (Pacific to Atlantic) was dedicated Jan. 5. . . . **United Fruit Co.** agreements settling property differences & raising the company's taxes were approved Dec. 24 by Costa Rica & Dec. 31 by Guatemala. [See Vol. XIV, p. 366D3]

ECONOMICS

Margin Raised, Stocks Drop

The required down payment for purchase of stocks on U.S. investment exchanges was raised to 60% from 50% by the Fed. Reserve Board Jan. 4. The margin requirement had been reduced to 50% from 75% Feb. 24, 1953.

The new FRB action was intended to restrain speculative trading in stocks, which had begun the new year at the peak of a boom under way since the Nov. 1954 elections.

(The highly active N.Y. Stock Exchange had registered a moderate break in prices Jan. 3-4. A sharper break that occurred Jan. 5 was generally attributed to the FRB's announcement & a wave of profit taking. The *N.Y. Times'* industrial averages reached 459.69, highest since Sept. 20, 1929, early Jan. 3 before profit takers reversed the uptrend. Rumors of an impending Gen. Motors dividend declaration spurred buying of GM & du Pont, but those stocks turned downward after GM instead announced late Jan. 3 that it soon would offer its stockholders the right to buy one new share for each 20 held—a plan expected to raise $325 million in new capital. The market continued its slump Jan. 4, prior to the FRB's margin-raising announcement, and 1,279 issues were traded—an NYSE one-day record. The decline Jan. 5 was 6.09 pts. [to 266.17] in the *Times'* combined averages and represented a loss of $3,847,000,000 in market values. Trading of 4,640,000 shares Jan. 5 was the largest one-day volume on the NYSE since June 26, 1950, at the start of the Korean war.)

NYSE Pres. Keith Funston criticized the FRB's margin-raising action Jan. 5 as "hard to understand" because "it comes at a time when industry is seeking new funds to build new plants & equipment." He said that "an active & liquid stock market is essential to the vitality of our economy" and the increased margin requirement would "inhibit the proper functioning of the market and the free interplay of the basic law of supply & demand." Pres. Edward T. McCormick of the American Stock (formerly N.Y. Curb) Exchange also deplored the FRB's action. He said that "the amount of credit now used in the market is a matter of public record and cannot by any stretch of the imagination be considered high or unhealthy." [See Vol. XIV, p. 434F1]

Personal income in the U.S. rose during November to an annual rate of $287.6 billion as against a rate of $286.3 billion during October, the U.S. Commerce Dept. reported Jan. 4. The increase was attributed to increased factory payrolls. Annual personal income rate during Jan.-Nov. 1954: $286 billion (same as corresponding 1953). [See Vol. XIV, p. 418F3] . . . **Consumer credit** increased by $243 million to $29,209,000,000 during November, the Fed. Reserve Bd. reported Jan. 4. [See Vol. XIV, p. 366G3] . . . **State unemployment insurance** payments in the U.S. last year totaled $2 billion, averages being $25 each to 1,600,000 beneficiaries a week, Labor Secy. James P. Mitchell reported Jan. 1. [See Vol. XIV, p. 302D3] . . . **Record production levels** in the iron & steel, construction, aluminum, chemical & paper board industries during 1955 were predicted Jan. 2 by Commerce Secy. Sinclair Weeks. He foresaw a "general high level of production" in all basic industries this year. [See Vol. XIV, p. 218B3] . . . **Bond** flotations on the New York market set a one-yr. record of $11,660,884,000 (for 1,221 issues) in 1954, the *N.Y. Times* reported Jan. 1. . . . **Fed. Communications Comm.** report Jan. 4: the U.S. had 2,697 commercial AM radio stations, 573 commercial & 30 educational TV stations, 569 commercial & 123 educational FM stations, 1,728 remote pickup, studio-to-transmitter & other auxiliary stations June 30, 1954. [See Vol. XIII, p. 397F2; XI, 22M] . . . **Elmo Roper** said in a pamphlet issued Dec. 28 by the Natl. Conf. of Christians & Jews that religious, racial & other types of discrimination cost U.S. industry $30,000,000,000 annually. [See Vol. XIV, p. 343G2] . . . **Justice Dept.** began 35 new anti-trust suits in 1954 & terminated 54, Asst. Atty. Gen. Stanley N. Barner reported Jan. 3. He said new consent decree procedures had speeded the conclusion of such cases. [See Vol. XIV, p. 426F-G3] . . . **Reo Motors, Inc.**, reorganized as a Del. corporation & subsidiary of Bohn Aluminum & Brass, began truck manufacturing Jan. 3 in Lansing, Mich. New Reo pres.: John C. Tooker.

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U.S. COST OF LIVING

(BLS consumer price indexes; 1947-49=100)

	Nov. '54	Oct. '54	Nov. '53
All items	114.6§	114.5	115.0
Food	111.1	111.8	112.0
Housing	119.5	119.5	118.9
Rent	129.2	129.0	127.3
Apparel	104.6	104.6	105.5
Medical care	126.1	125.9	123.3

FEDERAL RESERVE SYSTEM

(In thousands; -000 omitted)

	Dec. 29, '54	Dec. 22, '54	Dec. 30, '53
Reserves	$21,032,507	$21,032,506	$21,348,746
U.S. securities	$24,951,362	$24,888,362	$25,902,174
Rediscounts	$341,279	$298,882	$340,225
Note circul.	$26,330,387	$26,543,375	$26,628,322
Reserve ratio	44.8%	44.8%	44.5%

FARM PRICES

(From Agriculture Dept.; 1910-14=100)

	Dec. 15	Nov. 15	Dec. 1953
Prices rcd. by farmers	239	244	254
Prices paid by farmers	279	279	278
Parity ratio	86	87	91

ARTS & SCIENCE

Atomic energy study courses for engineers in French private industry were started Jan. 3 by the French Atomic Energy Comm.'s nuclear study center in Saclay. [See Vol. XIV, p. 427C1] . . . **Amer. Assn. for the Advancement of Science**, meeting Dec. 29 in Berkeley, Calif., reported that a U. of Calif. team (headed by Dr. Daniel I. Arnold) had succeeded in duplicating nature's process of photosynthesis after discovering that chloroplasts could function when removed from a living plant. . . . **Natl. Arts Foundtn.** reported Dec. 31 that a poll of advisers in 28 countries had designated these "outstanding artists of 1954": French painter Georges Rouault; Carl Sandburg, U.S. poet, historian & biographer of Lincoln; exiled Spanish 'cellist Pablo Casals; English sculptor Sir Jacob Epstein. . . . **Contempt-of-court** writs were served Jan. 4 on the *Pittsburgh Post Gazette & Greensburg* (Pa.) *Tribune* in Greensburg Jan. 4 after they had defied a court-imposed ban on taking courtroom pictures of John W. Wable when he appeared Dec. 28 for sentencing to death for murder. 5 staff members & the publishers were cited in the writs.

Nursing homes in the U.S. totaled 25,000 (450,000 beds), Public Health Svc. reported Dec. 28 after a nation-

NEW BOOKS

The Adventurers. By Ernest Haycox. Story of Oregon in 1860s. Lit. Guild Jan. choice. Jan. 3. (Little, Brown, 332 pp., $3.95)*

Fragebogen. By Ernst von Salomon. Preface by Goronwy Rees. Tr. by Constantine FitzGibbon. Autobiog of unrepentant German nationalist, best-seller in Germany. Jan. 3. (Doubleday, 525 pp., $6)†

The Golden Princess. By Alexander Baron. Romance in Mexico in Cortez' time. Jan. 5. (Washburn, 378 pp., $3.95)*

The Other Place & Other Stories. By J. B. Priestley. 9 stories of supernatural. Jan. 5. (Harper, 265 pp., $3)*

Out Went the Candle. By Harvey Swados. Greed & spite poison relationships in family of wartime profiteer. Jan. 6. (Viking, 374 pp., $3.95)*

The Red Carpet: Ten Thousand Miles through Russia on a Visa from Khrushchev. By Marshall MacDuffie. N. Y. lawyer's account of tour of USSR in 1953. Jan. 4. (Norton, 330 pp., $4.50)†

Sir Walter Scott: His Life and Personality. By Hesketh Pearson. Biog. of writer. Jan. 5. (Harper, 295 pp., $4)†

Trial. By Don M. Mankiewicz. Defense of Mexican youth falsely accused of killing girl. $10,000 Harper Prize Novel for 1954. Jan. 3. (Harper, 310 pp., $3.50)*

U.S. TREASURY STATEMENT

(Released Jan. 5)	Dec. 1954	Dec. 1953	July-Dec. 1954	July-Dec. 1953
Net deposits	$4,616,627,038	$5,348,748,081	$25,968,183,306	$29,199,328,446
Indiv. income taxes:				
Withheld	$1,594,512,240	$1,687,676,258	$10,129,936,174	$11,257,831,513
Other	$266,283,418	$308,917,862	$2,348,086,156	$2,798,529,028
Corp. income taxes	$1,152,937,478	$1,937,684,496	$3,734,266,075	$5,271,894,570
Net withdrawals	$6,396,233,041	$6,301,480,001	$34,170,024,552	$37,244,377,402
Military	$3,091,842,362	$3,375,943,120	$17,613,934,708	$21,459,406,087
Forgn. aid programs	$357,910,403	$602,699,162	$2,149,362,130	$2,312,782,501
Veterans	$393,160,261	$371,042,865	$1,885,278,458	$2,072,081,552
Int. on pub. debt	$826,022,073	$910,148,418	$2,366,960,495	$2,334,233,173
Increase in pub. debt	.....	.....	$7,490,215,282	$9,097,058,490
Decrease in pub. debt.	$103,272,428	$40,463,511	.....	.....

Gross public debt & guaranteed obligations $278,783,756,577 (including $278,255,899,397 subject to statutory limitation); last year $275,243,758,765.
Gold reserve $21,712,306,402; year ago $22,029,428,036.
Treasury balance $5,179,536,125.25; last year $4,528,465.17.

* Fiction † Non-fiction § Increase over Oct. attributed to buying of 1955-model autos at full price

wide survey. . . . **Knight Newspapers'** Miami Herald Pblshg. Co. announced its purchase of the *Charlotte (N.C.) Observer* Dec. 29 for $7 million. . . . **Darius Milhaud's** new opera *David* had a successful première Jan. 3 at La Scala Opera House in Milan. . . . **Clyde Beatty's** sale of his circus to Arthur M. Concello was announced Jan. 5 in Palmetto, Fla. Beatty was to continue as star of the circus.

OBITUARIES

Seth Arnold, 70, actor, director; Jan. 3 in New York.

Sir Shanti Swarupa Bhatnagar, 59, chemist, secy. Indian Min. of Natural Resources & Scientific Research; death reported Jan. 1 in New Delhi.

Mrs. Dianna Bixby, 32, flier; Jan. 2 in plane crash in Gulf of Calif.

Guillaume Ferrari, 45, co-director Lido night club; Jan. 4 in Paris of traffic accident injuries.

Galen M. Fisher, 81, YMCA leader in Japan & U.S.; Jan. 2, Berkeley, Calif.

Sven Grafstrom, 50, Swedish Min. to Mexico & chief UN delegate, chrmn. Korean Armistice Comm. 1953-54; Jan. 3 in Dijon, France of accidental fall from train.

Robert Peebles Kernan, 73, Canadian paper industry exec., All-America football halfback 1901 (Harvard); Jan. 1 in Montreal.

Carl M. Loeb, 79, investment banker, philanthropist, ex-pres. Amer. Metal, Climax Molybdenum; Jan. 3 in New York.

Dr. Wincenty Lutoslawski, 91, Polish philosopher, authority on Plato; Dec. 28 in Cracow, Poland.

Lord Marchwood (Frederick George Penny), 78, ex-MP, ex-Treas. of Royal Household, Conservative Party Treas. 1938-46; Jan. 1 in London.

Rev. George Majoribanks, 47, Moral Re-Armament Movement leader; Jan. 2 in Warm Springs, Ga. of polio.

Gen. José Mendes Ribeiro Norton de Matos, 88, leader of Portugal's opposition Liberal Party, ex-diplomat, Masonic Grand Master; Jan. 2 in Lisbon.

R. Verne Mitchell, 69, pres. Harris-Seybold Co. 1922-44; Jan. 1, Canton, O.

Dr. Arthur Caswell Parker, 73, dir. emer. Rochester Museum of Arts & Sciences, authority on Indian affairs; Jan. 1 in Naples, N.Y.

James Lorin Richards, 96, financier, bd. chrmn. Boston Consolidated Gas Co.; Jan. 2, Newtonville, Mass.

Dr. Samuel Martin Seidlin, 59, endocrinologist, pioneer in radioisotope therapy for thyroid ailments; Jan. 2 in New York.

Dr. James Winn Sherrill, 64, who devised now-standard method of treating diabetes with drugs & diet; Jan. 4 in La Jolla, Calif.

SPORTS

Winners

FOOTBALL BOWL SCORES JAN. 1

Rose Bowl, Pasadena, Calif.—Ohio State 20, So. Calif. 7. . . . **Sugar Bowl,** New Orleans—Navy 21, Mississippi 0. . . . **Cotton Bowl,** Dallas—Georgia Tech 14, Arkansas 6. . . . **Orange Bowl,** Miami—Duke 34, Nebraska 7. . . . **East-West** Shrine Hospitals Benefit All-Star, San Francisco—East 13, West 12. . . . **Sun Bowl,** El Paso, Tex.—Texas Western 47, Florida St. 20. . . . **Tangerine Bowl,** Orlando, Fla.—Omaha U. 7, Eastern Kentucky 6. . . . **Salad Bowl,** Phoenix, Ariz.—Skyline Conf. All-Stars 20, Border Conf. All-Stars 13. . . . **Prairie View Bowl,** Houston—Prairie View J. C. 14, Texas Southern 12. . . . **Palmetto Bowl,** Charleston, S. C.—Ft. Jackson 26, Shaw AF Base 21. . . . **Rice Bowl,** Tokyo—U. S. Air Force 21, U. S. Marines 14. . . . **Shrimp Bowl,** Galveston, Tex. (Jan. 2)—Ft. Ord, Calif. 36, Ft. Hood, Tex. 0. [See Vol. XIV, pp. 435F3, 81D1]

Basketball: Queen City tourney final in Buffalo, N. Y. Jan. 1—Canisius 59, St. Bonaventure 56. [See Vol. XIV, p. 435G3] . . . **Boxing:** Sugar Ray Robinson, 34, 159 lb., ex-welterw't & middlew't champ making a comeback after 30 mos. in retirement, scored a 6th-round KO over Joe Rindone, 28, in Detroit Jan. 5. [See Vol. XIV, p. 412D2]. . . . **Squash racquets:** U.S. open final in New York Jan. 3—G. Diehl Mateer Jr. of Phila. defeated Azam Khan of Pakistan. [See Vol. XIV, p. 404D1]

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Football resulted directly in 19 fatalities (12 high school, 2 college, 2 pro, 3 sandlot) and indirectly in 6 others during the 1954 season, most since 1949, the Amer. Football Coaches Assn. reported Jan. 4. [See Vol. XIV, p. 8F1] . . . **Julius Helfand** (D.), ex-chief of special & racket investigations in the County Dist. Atty.'s office in Brooklyn, succeeded Dr. Clilan B. Powell as a member of the N.Y. State Athletic Comm. Jan. 1 and replaced commissioner Robert K. Christenberry as chairman. [See Vol. XIV, p. 396E2] . . . **Alex Webster,** Montreal halfback & leading scorer in the Canadian Big 4 Football Union last year, was signed by the NFL N.Y. Giants Jan. 4. . . . **Walter (Hoot) Evers,** 33, Detroit outfielder, was bought by Baltimore Jan. 3. [See Vol. XIV, p. 263G3]

MISCELLANEOUS

Accidents

296 persons died in U.S. traffic accidents during the New Year holiday (6 p.m. Dec. 31 thru Jan. 2). [See Vol. XIV, p. 436F1]. . . . USAF Strategic Air Command Hq. in Omaha said Jan. 1 that accidents in the Command last year averaged a new low of 13 for each 100,000 flying hours despite a 27% increase in flying hours. . . . Insurance adjusters reported Jan. 4 that only a "small proportion" ($2,800,000-worth) of a diamond consignment aboard an airliner that crashed at Prestwick, Scotland Dec. 25 had been recovered. [See Vol. XIV, p. 436F1]

Suspension of Suez Canal operations Dec. 31-Jan. 3 due to an accident lined up more than 150 ships in the worst traffic jam in the canal's history. The canal was blocked when the Liberian tanker *World Peace* collided with and dislodged part of the El Ferdan drawbridge. . . . An empty life raft of the 3,337-ton freighter *Southern Districts,* which vanished Dec. 5, 1954 with its 24-man crew in the Gulf of Mexico, was washed ashore Jan. 2 near Sand Key, Fla.

Crime

FBI Dir. J. Edgar Hoover reported Jan. 4 that the number of serious crimes in the U.S. rose about 5% to a new high in 1954. He said there were fewer auto thefts and homicides than in 1953 and no lynchings for the 3d consecutive year, but robberies (inc. 307 bank robberies), assaults, rapes, burglaries & larcenies reached 10-year highs. [See Vol. XIV, p. 328F3]

Merchant seaman Harry Gossard, 39, pleaded guilty in Ebensburg, Pa. Jan. 3 to the slaying Oct. 29 of Karen Mauk, 6. He was committed to a mental hospital for examination. [See Vol. XIV, p. 378F2] . . . Eugene Pierce, 29, was held for investigation of manslaughter in Saginaw, Mich. Jan. 4 after he kicked over an oil heater during a family quarrel and started a flash fire that killed 5 children (3 his own). . . . Frederick Spears, 17, confessed Jan. 4 in Galion, Ohio that he had strangled his sister Patricia, 16, Dec. 31 after a pillow fight.

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Field Foundation, Inc. of Chicago reported Jan. 1 it made $776,168.78 in philanthropic grants during the year ended Sept. 30, 1954. . . . **Gov. James F. Byrnes** revealed Jan. 3 that school building allocations in South Carolina had averaged $315 per Negro pupil as against $147 per white pupil under the state's school improvement program since July, 1951. [See Vol. XIV, p. 386A1]

Married: Jack Philbin, TV producer, & actress Jean Harris; Jan. 3 in Hollywood.

Birthdays: Ex-Prime Min. Clement Attlee of Britain was 72 Jan. 3. . . . West German Chancellor Konrad Adenauer was 79 Jan. 5.

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NEW EXECUTIVES

Amer. Chemical Society—Prof. Joel H. Hildebrand (U. of Calif.) succeeded Prof. Harry L. Fisher (USC) as pres. Jan. 1. 1956 pres.-elect: Dr. John Christian Warner (Carnegie Tech.)

Amer. Musicological Soc.—Karl Geiringer (Boston U.) named pres. Dec. 28 at AMS meeting in Ann Arbor to succeed Donald J. Grout (Cornell).

Cities Service Oil Co.—Edward L. Stauffacher to succeed retiring pres. H. E. Brandli Jan. 1.

Columbia Bdcstg. System—John F. Day, 41, as dir. of news Jan. 3. [See Vol. XIV, p. 411A1]

Commercial Credit Co.—E. C. Wareheim as chrmn., to succeed Alexander E. Duncan (named "founder chrmn."), Edmund L. Grimes as pres. Jan. 3.

Harcourt, Brace & Co.—Wm. Janovich to succeed retiring pres. S. Spencer Scott Jan. 1.

Natl. Council of United HIAS Service—Edwin Rosenberg of N. Y. as chrmn. Jan. 2.

Natl. Assn. of Mfrs.—Kenneth R. Miller as actg. mng. dir. Jan. 1 to succeed Earl O. Bunting (retired Dec. 31).

Natl. Council of Churches of Christ in the USA—Ernest A. Gross to succeed Mrs. Douglas Horton as Intl. Affairs Dept. chrmn. Jan. 5.

N. Y. Herald Tribune—Walter Kerr as Washn. bureau chief Jan. 1 to relieve columnist Roscoe Drummond of administrative duties.

N. Y. Mercantile Exchange—Llewellyn Watts Jr. as pres. Jan. 3.

Lennen & Newell—Adolph J. Tiogo as pres. to succeed late H. W. Newell (Dec. 26).

Provident Loan Soc. of N. Y.—Robert H. Mulreany as pres. Dec. 28.

Rice-Stix, Inc.—A. T. Bard as president Dec. 30 to succeed Ernest W. Stix Sr.

Worthington Corp.—Hobard C. Ramsey as chrmn. to succeed Howard Bruce, Edwin J. Schwanhausser as pres. Jan. 1.